

.

---

**From:** GICPublicInfo (GIC) <gicpublicinfo@massmail.state.ma.us>  
**Sent:** Saturday, October 01, 2011 8:00 PM  
**To:** Corbett, Kate (DPH)  
**Subject:** Buy-Out and Flexible Spending Account Open Enrollment begins Monday, October 3

**Open Enrollment for the GIC Flexible Spending Account Pretax Programs and the Buy-out Option Begins Monday, October 3, 2011**

**Buy-out Open Enrollment: October 3 – November 10, 2011**

State employees who were insured with the GIC on July 1, 2011 or before and continue their coverage through December 31, 2011, may buy out their health plan coverage from October 3 - November 10, 2011. You must have other non-state health insurance coverage that is comparable to the health insurance you now receive through the Group Insurance Commission.

Under the buy-out plan, eligible state enrollees receive 25% of the full cost monthly premium in lieu of health insurance benefits for one 12-month period. You will receive a monthly check. The amount of payment depends on your health plan and coverage. See the [GIC's website](#) for buyout rates and the form.

**Save on Average \$250 for Every \$1,000 Contributed to a Flexible Spending Account: Open Enrollment October 3 – November 18, 2011**

Open enrollment for the GIC's Flexible Spending Accounts (FSA) – the Health Care Spending Account and the Dependent Care Assistance Program – will soon be here. State employees who enroll in one or both of these plans, administered by Benefit Strategies, will save on state and federal taxes by enrolling in these popular plans. On average, employees save \$250 for every \$1,000 contributed to a FSA. Your savings depend on your tax bracket. The FSA Open Enrollment period will take place from Monday, October 3 through Friday, November 18, 2011, for 2012 calendar year benefits.

**Health Care Spending Account (HCSA)**— with this program active state employees can pay for out-of-pocket health care expenses not covered by a medical or dental plan on a pre-tax basis. Examples can include:

- Physician office visit and prescription drug copayments
- Medical deductibles and coinsurance
- Eyeglasses, prescription sunglasses, and contact lenses
- Orthodontia and dental benefits
- Smoking cessation and child birth classes
- Chiropractor and acupuncture visits

HCSA participants receive one free debit card from Benefit Strategies to conveniently pay for health care expenses out of their HCSA account. Additional cards are available to family members for a nominal fee. For calendar year 2012, participants can contribute \$500 to \$5,000 through payroll deduction on a pretax basis.

**Dependent Care Assistance Program (DCAP)** – with this option, state employees can pay for qualified dependent care expenses for a child under the age of 13 and an adult dependent – including day care, after-school programs, elder day care and day camp – on a pretax basis. You may elect an annual DCAP contribution of up to \$5,000 per household.

## **Eligibility, Accessing the Account, Use or Lose Provision and Administrative Fee**

All active state employees who are eligible for health benefits with the GIC are eligible to enroll in HCSA. Employees must work at least 18.75 hours in a 37.5 hour work week or 20 hours in a 40-hour work week. Active state employees, including contractors, who work half-time or more and have DCAP-eligible expenses are eligible for DCAP.

To access funds from your FSA Account, simply submit a claim form with receipt to Benefit Strategies. They will mail you a check or deposit the reimbursement to your bank account if you enroll in direct deposit. HSCA members also have the convenient HCSA debit card option described above.

It is important to estimate your annual contribution carefully as the Internal Revenue Service requires that any unused funds be forfeited after a 2 ½ month grace period (March 15, 2013 for 2012 elections). The 2012 monthly administrative fee for HCSA only, DCAP only, or HCSA and DCAP combined is \$3.60 on a pre-tax basis.

### **Enroll During the Fall Open Enrollment to Save in 2012**

Enroll in FSA benefits during the open enrollment period to save money in 2012. For additional details, contact Benefit Strategies at 1-877-FLEXGIC (1-877-353-9442). Enrollment forms are on the GIC's website and available through your Payroll Coordinator. Current participants – remember you must re-enroll each year. You will receive instructions mailed to your home on how to re-enroll online.